

CENTRAL INTELLIGENCE AGENCY
NATIONAL FOREIGN ASSESSMENT CENTER

2 October 1981

MEMORANDUMMALI: Time of Trial [redacted]

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Mali, poor and landlocked, is a left-leaning socialist state in West Africa that is attempting to loosen its longstanding political and economic ties with the Soviet Union. Relations with France, the country's former colonizer, and the US are on the upswing as Mali seeks to attract an increased level of badly needed development assistance from the West. Even so, the Soviets remain in a strong position as the principal arms supplier to Mali, which has a long martial tradition and wants to maintain a well equipped army.

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President Moussa Traore, who came to power as the result of a military coup in 1968, is beset by multiple problems and the potential for political turbulence is high. Opposition to Traore comes from several quarters. Workers and students are restive over deteriorating living conditions. The Soviets seek to blunt Mali's overtures to the West. Junior officers, many of whom have been trained in the USSR, have seen their opportunities for personal gain curtailed. Libyan leader Qadhafi views Mali as another link in his plans to fashion a pan-Saharan state and tries periodically to encourage unrest in the predominantly Muslim country.

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This memorandum was written by [redacted] of the Office of African and Latin American Affairs. It was requested by the Office of the Vice President. The memorandum was coordinated with the Directorate of Operations, the Office of Global Issues, and National Intelligence Officer for Africa. Questions and comments should be addressed to the Chief, West and East Africa Division,

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Economic Situation

As a condition for receiving desperately needed financial assistance from the International Monetary Fund, President Traore has agreed to liberalize Mali's economy by allowing private enterprise a larger role, and to reform corrupt and unproductive state-owned enterprises. The government has also agreed to revamp its agricultural pricing policies to boost production of Mali's main exports and sources of foreign exchange: cotton and peanuts. [REDACTED]

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Reforms that are underway in the state enterprise sector involve liquidation of some small moribund corporations and reorganization of larger enterprises. Traore's reform program may produce new sources of opposition. Not only will those who derive income and power from state enterprises be adversely affected by the President's moves, but previously docile labor unions may also pose problems. The reforms will add to already high unemployment. [REDACTED]

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Negotiations are underway for Mali to rejoin the French-supported African franc zone and associated West African Monetary Union which Mali quit in the early 1960s. Twelve former French colonies in Black Africa participate in franc zone arrangements which offer them monetary stability in return for accepting conservative French monetary and banking policies in place of national control. The Traore government is having trouble in convincing other West African members of the franc zone to accept Mali's return to the fold. They view Mali as a financial drain on the system and as still too oriented toward the Soviets. [REDACTED]

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Military and Student Discontent

President Traore has been concerned about rumblings among younger military personnel reminiscent of his own contemporaries' attitudes that led to the 1968 coup. Junior officers, unhappy with corruption and economic malaise and finding their opportunities limited, complain that the status of the military has been sharply curtailed since civilian rule was established in June 1979. In particular, young officers fear Traore has elevated the paramilitary Gendarmerie to a position rivaling that of the Army. Several coup attempts have been mounted, with evidence of Soviet involvement on at least one occasion. [REDACTED]

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Students have been another source of unrest. Student demonstrations in spring 1980 over unpaid scholarship aid and poor school conditions lead the regime to cancel final

examinations and close schools. Traore moved forcefully to quell the disturbances, jailing student leaders and inducting demonstrators into the Army. The harshness of the punishment and the destruction of student leadership allowed the schools to reopen peacefully in the fall. But the potential for more student violence lies just beneath the surface. [REDACTED]

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Soviet and Libyan Roles

Soviet-Malian relations have been strained since a coup attempt last January in which a Soviet diplomat was implicated. The USSR has long supplied Mali's military with arms and counts many Soviet-trained officers among its supporters. As Mali increasingly turns to the West for economic help, Traore's opponents are likely to find an attentive audience in Moscow. The Soviets view Mali as one of their few friends in West Africa and would be loath to see it shift to a pro-Western orientation. [REDACTED]

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Libya's Qadhafi may also be aiding Malian dissidents. Since late 1980 Tripoli has pursued a two-track policy toward Mali, seeking favor with Traore by providing \$3 million in financial aid to the government while also maintaining ties with his opponents. Qadhafi has periodically encouraged unrest among the Tuareg nomadic group in northern Mali. [REDACTED]

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[REDACTED] The Libyans may try again to oust Traore in favor of a pro-Libyan regime, particularly as Mali draws closer to the West. [REDACTED]

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Relations With France

President Traore, whose pragmatism now outweighs his distrust of French "neocolonialism", has sought to strengthen Mali's French connections as a way out of the country's economic straits. France has always retained considerable influence in Mali because of its sizable program of technical assistance. [REDACTED]

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Soviet influence in Mali, which shares a border with Ivory Coast where Paris has a substantial political and economic stake, is the principal French concern. The Mitterrand government apparently views Traore as a necessary evil in the absence of a more suitable alternative, and Traore is likewise anxious about the new French government. Paris approves of the basic thrust of Traore's economic reform policies, but has underlying doubts about his ability to carry them out given the President's past record of temporizing. [REDACTED]

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Relations with the US

The new warmth in Malian-US relations reflects President Traore's hope for greater economic and military aid from Washington. Since the Sahelian drought of the early 1970s, the US has committed substantial financial resources to a major regional development scheme involving Mali and other Sahelian countries. The US provides security assistance training for about a dozen Malian military personnel annually. Minimal American investment in Mali--some \$2 million--is limited to banking interests, distribution of petroleum products, and mineral exploration. [REDACTED]

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Traore's Prospects

It is far from clear that Traore can marshal popular backing as he tries to follow through with the drastic measures needed to stem Mali's economic decline. As Mali attempts to draw closer to the West, Traore could find himself threatened from opponents on the left, particularly from Soviet-trained military officers who might be able to mount a successful coup. [REDACTED]

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At the moment Malian opposition is still disorganized and unfocused. While Traore's government has accomplished little in the last 13 years, there is a widespread belief that no one else could do better. Traore probably will muddle through a little longer, but barring an unforeseen upturn in the economy, his opposition will grow and Malians may eventually find themselves governed by a new military regime bent on restoring close ties with the Soviets. [REDACTED]

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